



Steven L. Beshear
Governor

Robert D. Vance, Secretary
Environmental and Public
Protection Cabinet

Timothy J. LeDonne
Commissioner
Department of Public Protection

Gary K. Dillard
Executive Vice President
Millennium Energy, Inc.
P. O. Box 1118
Bowling Green, KY 42102

Commonwealth of Kentucky
Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, Kentucky 40602-0615
Telephone: (502) 564-3940
Fax: (502) 564-3460
psc.ky.gov

Mark David Goss
Chairman

John W. Clay
Vice Chairman

Caroline Pitt Clark
Commissioner

January 31, 2008

CERTIFICATE OF SERVICE

RE: Case No. 2007-00557
Millennium Energy, Inc.

I, Beth O'Donnell, Executive Director of the Public Service Commission, hereby certify that the enclosed attested copy of the Commission's Order in the above case was served upon the addressee by U.S. Mail on January 31, 2008.

Executive Director

BOD/rs
Enclosure

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF GAS COST)
ADJUSTMENT FILING OF)
MILLENNIUM ENERGY, INC.) CASE NO. 2007-00557

ORDER

On December 2, 1999, in Case No. 1999-00312, the Commission approved rates for Millennium Energy, Inc. ("Millennium") and provided for their further adjustment in accordance with Millennium's Gas Cost Adjustment ("GCA") clause.¹

On December 26, 2007, Millennium filed its proposed GCA to be effective February 1, 2008.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Millennium's notice includes revised rates designed to pass on to its customers its expected change in gas costs.
2. Millennium's notice sets out an Expected Gas Cost ("EGC") of \$7.6414 per Mcf, which is a decrease of \$.1464 per Mcf from its previous EGC of \$7.7878.
3. Millennium's notice sets out no Refund Adjustment.
4. Millennium's notice sets a current quarter Actual Adjustment ("AA") of \$.3739 per Mcf. Millennium miscalculated its monthly cost difference for each month on

¹ Case No. 1999-00312, *Petition of Millennium Energy, Inc. for Approval of an Initial Rate Schedule for Serving Customers from an Existing Gas Supply Line.*

Schedule IV. Correcting for this error produces a current quarter AA of \$.1857. Millennium's total AA is (\$1.1683) per Mcf, which is \$.2414 per Mcf more than the previous total AA.

5. Millennium's notice sets out a current quarter Balance Adjustment ("BA") of \$.0072 per Mcf. Millennium's total BA is \$.0109 per Mcf, which is \$.0296 per Mcf more than the previous total BA.

6. Millennium's Gas Cost Recovery Rate is \$6.484 per Mcf, which is \$.1246 per Mcf more than the previous rate of \$6.3594.

7. The rates in the Appendix to this Order are fair, just, and reasonable, and should be approved for service rendered by Millennium on and after February 1, 2008.

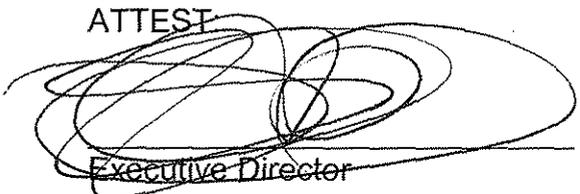
IT IS THEREFORE ORDERED that:

1. Millennium's proposed rates are denied.
2. The rates in the Appendix to this Order are approved for service rendered on and after February 1, 2008.
3. Within 20 days of the date of this Order, Millennium shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 31st day of January, 2008.

By the Commission

ATTEST



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2007-00557 DATED JANUARY 31, 2008

The following rates and charges are prescribed for the customers served by Millennium Energy, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

Residential

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
Customer Charge	\$6.00		\$6.00
All Mcf	\$4.00	\$6.484	\$10.484

Commercial and Industrial

Customer Charge	\$20.00		\$20.00
All Mcf	\$ 3.00	\$6.484	\$9.484